

**“Building Institutions for Good Governance”  
Local Government Support and Partnership Program**

**Quarterly Report  
April 1, 2001 – June 30, 2001**

Prepared for:  
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**“Building Institutions for Good Governance”  
Local Government Support and  
Partnership Program  
in Indonesia**

**USAID Quarterly Report – 2<sup>nd</sup> Quarter 2001**

*April 1 – June 30, 2001*

**Table of Contents**

<b><u>I. INTRODUCTION</u></b> .....	<b>1</b>
<b><u>II. MAJOR ACCOMPLISHMENTS THIS QUARTER</u></b> .....	<b>2</b>
<u>A. PROJECT ADMINISTRATION</u> .....	2
<u>B. PROGRAM ACTIVITIES AND MANAGEMENT – PROGRESS AND HIGHLIGHTS</u> .....	2
<u>C. CHALLENGES/ ISSUES OF CONCERN AFFECTING IMPLEMENTATION AND ACTIONS</u> <u>TAKEN</u> .....	7
<u>D. PROJECTED ACTIVITIES FOR THE NEXT QUARTER</u> .....	7

**ANNEXES:**

**ANNEX 1:** Financial Information (2<sup>nd</sup> Quarter 2001)

## **I. Introduction**

ICMA's Building Institutions for Good Governance (BIGG) Program project operates under USAID Strategic Objective 10: Decentralized, Participatory Local Government. To this end, it is designed to help USAID meet its four intermediate results (IRs):

- IR 1: Appropriate Environment Established to Enable Effective Local Government
- IR 2: Local Government Capacity Strengthened to Deliver Effective Services
- IR 3: Participation Increased in Local Government Decision-Making
- IR 4: Associations of Local Governments and Officials Established as Advocates

The third full quarter of operation saw draft strategic plans developed for all 3 local government associations, intensive assistance on the upcoming changes to the formula for the General Allocation Fund (*Dana Alokasi Umum*), and the partnership of 3 of the initial 6 Resource Cities as well as the first exchange for the program.

## **II. Major Accomplishments This Quarter**

### **A. Project Administration**

#### **A.1 Project Workplan**

During this quarter, ICMA/Jakarta worked with ICMA/Washington to revise the BIGG workplan to more accurately reflect the priorities of USAID. Due to the rapid pace of decentralization and the numerous amendments to the Regional Autonomy legislation proposed at the central government level, both USAID and ICMA recognized the need to shift resources from the Resource Cities Program to the Support to Local Government Associations component of the project. At this juncture, it is critical that the associations rapidly develop their capacity to serve as advocates and sources of information and advice for their members. To this end, ICMA proposed to reduce the number of Resource Cities from 12 to 9 and to expand the Association component of the project by hiring a full-time Advocacy and Association Advisor and to devote additional resource to training and technical assistance for the associations. The workplan has been revised accordingly and will be submitted to USAID for approval in the 3<sup>rd</sup> quarter of this year.

#### **A.2 Management**

BIGG promoted the Secretary to Secretary/Accountant to fulfill the need of the project to have part time support for financial matters, as outlined in the revised budget to be presented to USAID. This promotion will take effect July 1, 2001.

BIGG hired a Regional Coordinator for East Kalimantan. The Coordinator will be based in Samarinda and will have responsibility for coordinating both the Resource Cities exchanges in the Province as well as developing the agenda and areas of technical focus for the East Kalimantan interregional work.

### **B. Program Activities and Management – Progress and Highlights**

#### **B.1 Resource Cities – Indonesia**

- ICMA and USAID agreed to split the partnership between Kota Samarinda and Kabupaten Kutai, East Kalimantan into two individual partnerships, thus increasing the number of partner local governments in Round 1 from 6 to 7. The second round of partnerships will be comprised of only 2 local governments.
- During this quarter, 4 of the 7 local governments were partnered and exchanges were set up. All of the exchanges, with the exception of Pasir, will occur in the 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2001. Scheduling conflicts of both the US and Indonesian cities prevented exchanges occurring earlier. Current partnership exchange dates include:

Indonesian Local Government	US Partner	Exchange Dates
Kabupaten Pasir, East Kalimantan	Coquille, Oregon	June 28 – July 8, 2001
Kota Bekasi, West Java	Gresham, Oregon	July 23 – August 2, 2001
Kota Balikpapan, East Kalimantan	Tacoma, Washington	August 16 – 26, 2001
Kota Bitung, North Sulawesi	Coos Bay, Oregon	August 30- September 8, 2001

- ICMA continues to actively recruit for partner cities for the remaining 3 local governments in the first round of Resource Cities. The pending impeachment of President Abdurrahman Wahid has led to negative reports about Indonesia in the international news media, which has made recruitment of the final cities difficult. To this end, ICMA has broadened the search from strictly Oregon and Washington to include California cities and counties.
- ICMA hired a Regional Coordinator in East Kalimantan. She will be based in Samarinda and have responsibility for coordinating both the Resource Cities exchanges in the Province as well as developing the agenda and areas of technical focus for the East Kalimantan interregional work.

## B.2 Association Development

This was a productive quarter for ICMA and the associations. During this time, ICMA assisted the associations in developing draft strategic plans, determining areas where they can work together, and preparing for hearings in front of the *Dewan Perwakilan Rakyat* (DPR) and the *Dewan Pertimbangan Otonomi Daerah* (DPOD) on changes to the *Dana Alokasi Umum* (DAU). In addition, ICMA, in conjunction with the associations, selected the participants for the ICMA conference, and established a partnership between the 3 associations and the League of Oregon Cities.

- **Strategic Planning:** With the assistance of Clay Wirt, Association Expert; Ann Bueche, Information Specialist; Deborah Kimble, Senior Municipal Advisor, and; Judie Kesson, Training Specialist, the 3 associations completed a Milestone Index during the previous quarter. This quarter, each of the associations used the Index as a baseline for the development of a draft strategic plan. While the ICMA team found that each association was at a different point in the development of a strategic plan, all 3 were in need of

some guidance in transferring basic goals into tasks to be implemented. To this end, the ICMA team took the existing documents of the associations and put them in a user-friendly format that the associations could complete and use for the 2001-2002 time period. The consultant report and draft plans are attached to this report (See Attachment B).

- **Collaboration:** The culmination of the visit by the ICMA team was a two-day seminar designed to bring staff from the associations together to share their current situations and to determine areas where they could work together.

The team divided the participants into groups and had each group compare and discuss their priorities in four functional areas: advocacy, training, communications, and association management. They were asked to rank their priorities under each topic and to provide an explanation for how they determined their rankings. While there were some differences between the three associations, there were many topics that they agreed were important for them to receive assistance. A summary of the priority areas for collaboration is attached to this report (See Attachment C). Based on this report, ICMA determined several areas where training and assistance could be provided. These areas include communications with members and the media, business plan development, personnel policy development, and conducting a needs assessment. In addition, ICMA was able to identify priorities in the area of advocacy for immediate action.

- **Advocacy:** During the months of May and June, ICMA sponsored a series of 3 workshops designed to assist the associations to a) determine the key issues regarding the pending changes to the formula of the *DAU*, b) survey their members through formal and informal means, c) develop their positions on the changes, and d) prepare for hearings before the DPR and DPOD. ICMA encouraged the associations to adopt a common position on the changes to the formula. While a common position was not reached on all issues, the associations did issue a joint statement on their views, which was submitted to USAID and distributed to their members through newsletters. The final report on the series of workshops is attached to this report (See Attachment D).
- **ICMA Conference:** Through several consultations with the 3 associations, it was determined that the best candidates for the ICMA Conference and Study Tour to Washington, DC would be the Executive Directors and Board Presidents (or their designates). Those who were selected have reserved two weeks in their schedule to travel to the United States. During their visit to Washington, the participants will have the opportunity to meet with the Boards and staffs of key U.S. local government associations such as ICMA, the National League of Cities (NLC), the National Association of Counties (NACo), and the National Governors Associations (NGA). The purpose of this visit is to expose the people at the highest ranks of the Indonesian associations to the U.S. experience in establishing associations and working as

advocates for and providing services to their members. In addition, it provides a good opportunity for the Indonesian delegation to meet with their peers in the U.S. and forge both formal and informal links for the future.

In addition to the high-level delegation taking part in the Study Tour and Conference, ICMA will also send 6 members of the associations (2 from each association), Ibu Farida M. from the Ministry of Home Affairs and Regional Autonomy, and up to 6 staff from the associations (2 from each). The staff participating in the conference will also have the opportunity to travel to Salem, Oregon as part of an exchange visit with the League of Oregon Cities (see “Association Partnership” below).

- **Association Partnership:** In June, ICMA secured a commitment from the League of Oregon Cities (LOC) in Salem, Oregon to partner with all 3 Indonesian local government associations. Founded over 75 years ago, the LOC has a great wealth of knowledge and experience to share with the Indonesian associations. In addition, because many of the Indonesian Resource Cities partners come from Oregon, there is a great opportunity for synergies between the associations and their members. It is anticipated that the focus of the partnership will be on advocacy, communications, and association management –as these were priority areas identified by the associations in their workshop in May.

The initial delegation visit of the League of Oregon Cities will take place in late July 2001. It is anticipated that the second visit (the first visit of the Indonesian Associations to Oregon) will coincide with the ICMA Conference, September 23-26, 2001. This will allow key staff from the Indonesian associations to experience a national conference first-hand after which they will be able to discuss their experiences and the potential for replication with the LOC.

### **B.3 Information Dissemination/Innovative Practices**

During this quarter, ICMA staff participated in meetings to learn more about methods and avenues to improve information dissemination as well as to study innovative practices models and begin to work with the associations on their information dissemination and communications plans. Two key events during this quarter were a Regional Seminar on innovative practices in Denpasar, and a media workshop in Jakarta.

- **Regional Seminar:** ICMA staff led a delegation of local government officials at a seminar entitled “Making Cities Work: Innovations in Urban Environmental Management” in Denpasar, Bali from June 18-19, 2001. Officials from Bekasi, Bitung, and Samarinda attended the regional conference, which presented case studies of “Best Practices” from around

South East Asia (the other cities participating in the Resource Cities program were also invited, but were unable to send delegates).

During the final session, participants were divided into groups to discuss how to augment the value of these types of conferences. Several suggestions were offered, one key proposal was to involve local government associations in the conferences and to provide them with the information and proceedings from the conference to distribute to their members. In the near future, ICMA will meet with the associations to discuss this proposal.

One ancillary result of ICMA's attendance in the conference was that during the exchange visit to Pasir, the BAPPEDAL-DA (Environmental Assessment Department) asked for information on other Solid Waste programs. ICMA is going to translate some of the case studies from the Denpasar conference and provide them to Pasir.

- ICMA staff attended a media workshop sponsored by USAID, which was designed to bring donor agencies and their contractors together with media professionals to determine ways to work together to improve the quality of media in Indonesia.

Again, participants were divided into groups to discuss areas for collaboration and develop action steps for continuing our collaboration. ICMA participated in the groups discussions on both radio and television and made contacts with the International Foundation for Election Systems (IFES), which is implementing a project with TVRI, the public television station of Indonesia, and Radio 68H, a radio network that reaches the entire country. Subsequent meetings were held with IFES and Radio 68H to determine ways to work together and to improve the profile of the Indonesian associations as well as to help them serve their members in the more remote provinces in the country. It was decided that ICMA would speak with the associations and incorporate the IFES and Radio 68H programs into their communications plans when they are developed.

#### **B.4 Local Government Training**

The first training for all of the Cooperative Agreement local governments in the area of Budget and Finance took place May 22-23 in Jakarta. ICMA invited the secretary of city/*kabupaten*, the head of the finance department, head of planning board, and the head/member of the council's budgetary commission from each of the Resource Cities local governments as well as representatives from the local government associations. ICMA Consultant Phil Rosenberg, in conjunction with ICMA staff and the faculty of Satyagama University conducted the training. The training was highly interactive and comments from participants included the desire to have the training last 3 days or more as well as an expressed interest in developing an association akin



to the Government Finance Officers Association (GFOA) in the United States (see Attachment F for the Consultant Report and Proceedings from the workshop).

Future budget and finance training will be conducted by the Task Order staff and will be customized to fit the unique needs of the Cooperative Agreement cities, with special emphasis on the focus of their partnerships.

#### **B.5 Joint Activities with Task Order**

Activities under this task will begin next quarter.

### **C. Challenges/ Issues of Concern Affecting Implementation and Actions Taken**

- See **Project Workplan** section A.1

### **D. Projected Activities for the Next Quarter**

#### **D.1 Project Workplan**

- Submit revised workplan.
- In conjunction with the Task Order, develop a Monitoring and Evaluation system for the entire BIGG program

#### **D.2 Management Hire Assistant Coordinator for East Kalimantan**

- Hire and Mobilize Advocacy and Association Advisor
- Provide a lecture for Indonesian local governments students in Georgia, USA

#### **D.3 Resource Cities – Indonesia**

- Select US partner cities for remaining Indonesian local governments
- Initial exchanges for 4 of 7 partnerships
- Second exchanges for 1-2 partnerships
- Selection of Round 2 Resource Cities
- MOUs with Round 2 Resource Cities

#### **D.4 Association Development**

- Conduct half-day training sessions on items prioritized by associations (i.e., communications and media relations, personnel policies and determining member benefits)
- Partnership exchange with League of Oregon Cities
- Training on Communicating with members and the media
- Development of association business plans
- Exchange visit of Executive Directors and Board Members to Washington, DC
- Attendance at ICMA Annual Conference in Salt Lake City, Utah

#### **D.5 Information Dissemination/Innovative Practices**

- Develop a template for identifying and collecting Innovative Practices
- Explore ways of communicating to local governments (through associations) via radio and other forms of mass media.
- Redesign and distribute brochures for all 3 associations
- Provide a lecture for Indonesian local governments students in Georgia, USA

#### **D.6 Local Government Training**

- Develop East Kalimantan collaboration and training program
- D.7 Joint Activities with Task Order**
- Training of Trainers workshop for Cooperative Agreement cities and local government associations
  - Workshop B Budget and Finance Training for Cooperative Agreement Cities

## **Annex 1: Financial Information**